

Supplementary Financial Information for the first quarter of fiscal year ending March 2019

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MARUBUN CORPORATION

<http://www.marubun.co.jp/en/index.html>

http://www.marubun.co.jp/en/ir_e/index.html (IR Website)

Within the presentation, information on the future performance such as results forecasts is based on the data available at the time this presentation was prepared that the Company assumes reasonable. Actual performance depends on various important factors and may differ significantly from the estimates contained herein.

Consolidated Statement of Income

(Millions of Yen)	FY2017 17/4-6 Results	FY2018 18/4-6 Results	Increase /Decrease
Net Sales	70,464	71,211	747
Electronic Devices	62,118	60,920	(1,198)
Electronic Systems	8,345	10,291	1,946
Cost of Sales	65,594	65,682	88
Gross Profit	4,869	5,529	660
Electronic Devices	3,528	4,159	631
Electronic Systems	1,340	1,369	29
Selling, general and administrative expenses	4,218	4,314	96
Personal expenses	2,578	2,630	52
Other	1,639	1,684	45
Operating income	651	1,214	563
Electronic Devices	541	1,128	587
Electronic Systems	112	88	(24)
Non-operating income	167	152	(15)
Foreign exchange gains	9	-	(9)
Equity in earnings of affiliates	89	88	(1)
Non-operating expenses	166	1,440	1,274
Foreign exchange losses	-	1,146	1,146
Ordinary income	652	(73)	(725)
Extraordinary income	0	3	2
Extraordinary loss	17	0	(17)
Income before income taxes and minority interests	635	(70)	(705)
Income taxes	204	(44)	(248)
Profit attributable to non-controlling interests	128	44	(84)
Profit attributable to owners of parent	302	(70)	(372)
Number of Employees	1,411	1,390	(21)
Gross Profit Margin	6.9%	7.8%	-
Electronic Devices	5.7%	6.8%	-
Electronic Systems	16.1%	13.3%	-
Operating Profit Margin	0.9%	1.7%	-
Electronic Devices	0.9%	1.9%	-
Electronic Systems	1.3%	0.9%	-
Ordinary Profit Margin	0.9%	-	-
Net Profit Margin	0.4%	-	-

Consolidated Sales by Segment

(Millions of Yen)	FY2017 17/4-6 Results	FY2018 18/4-6 Results	Increase /Decrease
Total Electronic Devices	62,118	60,920	(1,198)
Semiconductors	58,222	57,167	(1,055)
Analog IC	15,449	15,093	(356)
Standard Logic IC	859	764	(95)
Memory IC	5,437	4,834	(603)
Micro-Processor	3,436	3,956	519
Special-Use IC	30,076	29,618	(458)
Custom IC	2,843	2,541	(302)
Other	122	362	239
Electronic Components	3,896	3,753	(143)
Total Electronic Systems	8,345	10,291	1,946
Space & Defense Electronics	897	997	100
Industrial Equipment	3,659	4,348	689
Laser Equipment	865	1,015	150
Information and communication Equipment	293	375	82
Medical Equipment	2,631	3,557	926
Total Net Sales	70,464	71,211	747

Consolidated Balance Sheets

(Millions of Yen)	FY2017 18/3 Results	FY2018 18/6 Results	Increase /Decrease
Current assets	122,297	123,333	1,036
Cash and deposits	13,989	16,813	2,824
Notes and accounts receivable-trade	60,820	60,738	(82)
Merchandise and finished goods	44,987	43,523	(1,464)
Work in process	126	186	60
Deferred tax assets	-	-	0
Other	2,386	2,086	(300)
Allowance for doubtful accounts	(13)	(14)	(1)
Noncurrent assets	13,408	13,436	28
Property, plant and equipment	3,529	3,485	(44)
Intangible assets	1,601	1,682	81
Investments and other assets	8,277	8,268	(9)
Total assets	135,706	136,770	1,064
Current liabilities	75,765	78,185	2,420
Notes and accounts payable-trade	37,247	34,122	(3,125)
Short-term loans payable	34,687	40,272	5,585
Current portion of long-term loans payable	112	112	0
Provision for bonuses	1,044	539	(505)
Other	2,672	3,138	466
Noncurrent liabilities	10,763	10,695	(68)
Long-term loans payable	8,875	8,847	(28)
Net defined benefit liability	1,388	1,353	(35)
Provision for directors' retirement benefits	108	111	3
Other	391	382	(9)
Total liabilities	86,529	88,881	2,352
Shareholders' equity	41,596	41,007	(589)
Accumulated other comprehensive income	1,439	1,015	(424)
Non-controlling interests	6,140	5,866	(274)
Total net assets	49,177	47,889	(1,288)
Total liabilities and net assets	135,706	136,770	1,064

* "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" was applied from the first quarter of the fiscal year ended March 31, 2019, and deferred tax assets are shown in the category of other assets. The statements of the fiscal year ended March 31, 2018 were reorganized into new categories.

Consolidated Statements of Cash Flows

(Millions of Yen)	FY2017 17/4-6 Results	FY2018 18/4-6 Results
Net cash provided by (used in) operating activities	(728)	(189)
Income before income taxes and minority interests	635	(70)
Depreciation and amortization	99	99
Foreign exchange losses (gains)	(7)	1,262
Equity in (earnings) losses of affiliates	(89)	(88)
Decrease (increase) in notes and accounts receivable-trade	1,315	(2)
Decrease (increase) in inventories	(1,077)	1,175
Increase (decrease) in notes and accounts payable-trade	(3,016)	(2,969)
Other, net	1,643	912
Subtotal	(497)	319
Interest and dividends income received	204	96
Interest expenses paid	(119)	(226)
Income taxes paid	(317)	(379)
Income taxes refund	2	1
Net cash provided by (used in) investing activities	(359)	(262)
Net cash provided by (used in) financing activities	2,074	3,699
Effect of exchange rate change on cash and cash equivalents	(75)	(3)
Net increase(decrease) in cash and cash equivalents	910	3,243
Cash and cash equivalents at beginning of period	12,216	13,715
Cash and cash equivalents at end of period	13,084	16,574

Consolidated Statement of Income (1st Half)

(Millions of Yen)	FY2017 1st Half Results	FY2018 1st Half Forecast	Increase /Decrease
Net Sales	169,875	160,000	(9,875)
Electronic Devices	150,361	139,000	(11,361)
Electronic Systems	19,513	21,000	1,487
Cost of Sales	159,603	149,800	(9,803)
Gross Profit	10,272	10,200	(72)
Electronic Devices	7,058	6,900	(158)
Electronic Systems	3,213	3,300	87
Selling, general and administrative expenses	8,518	8,950	432
Operating income	1,753	1,250	(503)
Ordinary income	1,314	1,020	(294)
Income before income taxes and minority interests	1,104	1,020	(84)
Profit attributable to owners of parent	390	465	75
Gross Profit Margin	6.0%	6.4%	-
Electronic Devices	4.7%	5.0%	-
Electronic Systems	16.5%	15.7%	-
Operating Profit Margin	1.0%	0.8%	-
Ordinary Profit Margin	0.8%	0.6%	-
Net Profit Margin	0.2%	0.3%	-

Consolidated Statement of Income (Full Year)

(Millions of Yen)	FY2017 Results	FY2018 Forecast	Increase /Decrease
Net Sales	347,508	315,000	(32,508)
Electronic Devices	296,524	262,500	(34,024)
Electronic Systems	50,983	52,500	1,517
Cost of Sales	326,346	292,500	(33,846)
Gross Profit	21,161	22,500	1,339
Electronic Devices	13,534	14,000	466
Electronic Systems	7,627	8,500	873
Selling, general and administrative expenses	17,390	17,800	410
Operating income	3,771	4,700	929
Ordinary income	4,218	4,300	82
Income before income taxes and minority interests	3,912	4,300	388
Profit attributable to owners of parent	2,077	2,500	423
Gross Profit Margin	6.1%	7.1%	-
Electronic Devices	4.6%	5.3%	-
Electronic Systems	15.0%	16.2%	-
Operating Profit Margin	1.1%	1.5%	-
Ordinary Profit Margin	1.2%	1.4%	-
Net Profit Margin	0.6%	0.8%	-

Consolidated Sales by Segment (Full Year)

(Millions of Yen)	FY2017 Results	FY2018 Forecast	Increase /Decrease
Total Electronic Devices	296,524	262,500	(34,024)
Semiconductors	279,472	242,513	(36,960)
Analog IC	62,728	60,608	(2,119)
Standard Logic IC	3,273	1,709	(1,564)
Memory IC	19,914	9,638	(10,276)
Micro-Processor	14,142	14,404	262
Special-Use IC	167,999	146,660	(21,339)
Custom IC	10,943	9,026	(1,917)
Other	473	466	(7)
Electronic Components	17,053	19,987	2,935
Total Electronic Systems	50,983	52,500	1,517
Space & Defense Electronics	5,409	6,003	594
Industrial Equipment	19,763	18,583	(1,180)
Laser Equipment	5,186	7,038	1,853
Information and communication Equipment	1,514	1,735	222
Medical Equipment	19,116	19,140	24
Total Net Sales	347,508	315,000	(32,508)

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2017					FY2018
	1Q	2Q	3Q	4Q	Full Year	1Q
Net Sales	70,464	99,410	99,847	77,785	347,508	71,211
Electronic Devices	62,118	88,243	88,225	57,937	296,524	60,920
Electronic Systems	8,345	11,167	11,622	19,848	50,983	10,291
Cost of Sales	65,594	94,008	94,003	72,740	326,346	65,682
Gross Profit	4,869	5,402	5,844	5,045	21,161	5,529
Electronic Devices	3,528	3,529	4,120	2,356	13,534	4,159
Electronic Systems	1,340	1,872	1,723	2,689	7,627	1,369
Selling, general and administrative expenses	4,218	4,300	4,384	4,487	17,390	4,314
Operating income	651	1,102	1,459	558	3,771	1,214
Electronic Devices	541	426	1,036	(764)	1,240	1,128
Electronic Systems	112	678	426	1,325	2,542	88
Non-operating income	167	151	153	1,301	1,773	152
Non-operating expenses	166	591	311	258	1,327	1,440
Ordinary income	652	662	1,301	1,601	4,218	(73)
Extraordinary income	0	(0)	5	0	6	3
Extraordinary loss	17	193	14	86	311	0
Income before income taxes and minority interests	635	468	1,292	1,515	3,912	(70)
Income taxes	204	263	367	537	1,373	(44)
Profit attributable to non-controlling interests	128	117	121	94	461	44
Profit attributable to owners of parent	302	87	803	883	2,077	(70)
Gross Profit Margin	6.9%	5.4%	5.9%	6.5%	6.1%	7.8%
Electronic Devices	5.7%	4.0%	4.7%	4.1%	4.6%	6.8%
Electronic Systems	16.1%	16.8%	14.8%	13.5%	15.0%	13.3%
Operating Profit Margin	0.9%	1.1%	1.5%	0.7%	1.1%	1.7%
Ordinary Profit Margin	0.9%	0.7%	1.3%	2.1%	1.2%	-
Net Profit Margin	0.4%	0.1%	0.8%	1.1%	0.6%	-

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2017					FY2018
	1Q	2Q	3Q	4Q	Full Year	1Q
Total Electronic Devices	62,118	88,243	88,225	57,937	296,524	60,920
Semiconductors	58,222	84,528	83,272	53,450	279,472	57,167
Analog IC	15,449	15,599	16,227	15,453	62,728	15,093
Standard Logic IC	859	808	805	801	3,273	764
Memory IC	5,437	6,494	4,193	3,790	19,914	4,834
Micro-Processor	3,436	3,250	4,149	3,307	14,142	3,956
Special-Use IC	30,076	55,097	54,816	28,009	167,999	29,618
Custom IC	2,843	2,965	2,911	2,224	10,943	2,541
Other	122	314	171	(134)	473	362
Electronic Components	3,896	3,715	4,954	4,488	17,053	3,753
Total Electronic Systems	8,345	11,167	11,622	19,848	50,983	10,291
Space & Defense Electronics	897	1,068	1,200	2,244	5,409	997
Industrial Equipment	3,659	4,623	4,392	7,089	19,763	4,348
Laser Equipment	865	1,468	1,374	1,479	5,186	1,015
Information and communication Equipment	293	294	322	604	1,514	375
Medical Equipment	2,631	3,715	4,333	8,437	19,116	3,557
Total Net Sales	70,464	99,410	99,847	77,785	347,508	71,211

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2017				FY2018
	Jun.30,2017	Sep.30,2017	Dec.31,2017	Mar.31,2018	Jun.30,2018
Current assets	112,428	132,509	122,835	123,322	123,333
Cash and deposits	13,482	15,840	11,813	13,989	16,813
Notes and accounts receivable-trade	63,827	78,373	72,641	60,820	60,738
Merchandise and finished goods	30,172	33,094	34,251	44,987	43,523
Work in process	427	408	286	126	186
Deferred tax assets	1,040	1,156	1,016	1,024	-
Other	3,565	3,652	2,838	2,386	2,086
Allowance for doubtful accounts	(87)	(17)	(12)	(13)	(14)
Noncurrent assets	12,341	12,263	12,590	12,474	13,436
Property, plant and equipment	3,511	3,523	3,521	3,529	3,485
Intangible assets	1,253	1,407	1,512	1,601	1,682
Investments and other assets	7,577	7,332	7,557	7,342	8,268
Total assets	124,770	144,773	135,426	135,796	136,770
Current liabilities	66,542	86,334	76,109	75,765	78,185
Notes and accounts payable-trade	34,829	40,171	40,498	37,247	34,122
Short-term loans payable	27,636	42,572	32,491	34,687	40,272
Current portion of long-term loans payable	112	112	112	112	112
Provision for bonuses	705	1,027	564	1,044	539
Other	3,258	2,450	2,442	2,672	3,138
Noncurrent liabilities	11,093	11,032	11,005	10,854	10,695
Long-term loans payable	8,960	8,932	8,904	8,875	8,847
Net defined benefit liability	1,555	1,510	1,477	1,388	1,353
Provision for directors' retirement benefits	100	101	104	108	111
Other	477	489	518	481	382
Total liabilities	77,636	97,367	87,114	86,619	88,881
Shareholders' equity	40,083	40,171	40,713	41,596	41,007
Accumulated other comprehensive income	1,376	1,427	1,603	1,439	1,015
Non-controlling interests	5,673	5,807	5,995	6,140	5,866
Total net assets	47,134	47,406	48,311	49,177	47,889
Total liabilities and net assets	124,770	144,773	135,426	135,796	136,770

* "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" was applied from the first quarter of the fiscal year ended March 31, 2019, and deferred tax assets are shown in the category of other assets.

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Net cash provided by (used in) operating activities	(728)	(12,672)	(6,060)	(7,619)	(189)
Income before income taxes and minority interests	635	1,104	2,396	3,912	(70)
Depreciation and amortization	99	199	301	406	99
Foreign exchange losses (gains)	(7)	356	425	(1,283)	1,262
Equity in (earnings) losses of affiliates	(89)	(193)	(296)	(397)	(88)
Decrease (increase) in notes and accounts receivable-trade	1,315	(13,240)	(7,454)	4,326	(2)
Decrease (increase) in inventories	(1,077)	(4,000)	(5,008)	(15,582)	1,175
Increase (decrease) in notes and accounts payable-trade	(3,016)	2,340	2,652	(492)	(2,969)
Other, net	1,643	1,258	1,883	2,659	912
Subtotal	(497)	(12,174)	(5,100)	(6,450)	319
Interest and dividends income received	204	215	296	314	96
Interest expenses paid	(119)	(280)	(468)	(653)	(226)
Income taxes paid	(317)	(441)	(799)	(841)	(379)
	0	-	-	-	0
Net cash provided by (used in) investing activities	(359)	(557)	(749)	(964)	(262)
Net cash provided by (used in) financing activities	2,074	16,564	6,199	10,374	3,699
Effect of exchange rate change on cash and cash equivalents	(75)	(19)	(20)	(248)	(3)
Net increase(decrease) in cash and cash equivalents	910	3,316	(631)	1,542	3,243
Cash and cash equivalents at beginning of period	12,216	12,216	12,216	12,216	13,715
Cash and cash equivalents at end of period	13,084	15,489	11,541	13,715	16,574